



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 03/08/2022

**REQUESTER:** Taylor Johnson, Transit and Parking Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**ITEM TITLE:** CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2122-98: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, APPROPRIATING \$149,454 FROM THE CAPITAL FUND BALANCE TO COMPLETE THE PURCHASE OF FIVE (5) 3500 DODGE PROMASTER VANS FOR THE PUBLIC TRANSPORTATION FLEET THAT HAD BEEN PREVIOUSLY APPROVED BY CITY COUNCIL ON DECEMBER 14, 2021.

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### **BACKGROUND:**

The City of Norman took over the operations of the City public transportation system on June 1, 2019, from the University of Oklahoma. Since then, staff has worked diligently to pursue federal grant opportunities to maximize local funding to replace the aged vehicles that were inherited as a part of the transition of service.

The Federal Transit Administration's (FTA) Grants for Buses and Bus Facilities Formula Program - 5339(a) provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment to construct bus-related facilities. Eligible Recipients include designated recipients that operate fixed-route bus services or that allocate funding to fixed-route bus operators; and State or local governmental entities that operate fixed-route bus services that are eligible to receive direct grants under sections 5307 and 5311. The City of Norman is the operator of fixed-route bus service and receives direct grants under section 5307, thus making it eligible for section 5339 annual appropriation.

When the City became the Norman Urbanized Area grantee for FTA funds and took over the service from the University, there were un-programmed section 5339 funds that became available. \$346,703 of those federal funds are programmed and available in FTA grant OK-2020-026 for replacing vehicles in the public transportation paratransit fleet.

On December 14, 2021 the City Council passed and adopted resolution R-2122-72 appropriating \$346,703 from the capital fund balance to the public transit and parking fund to be used to purchase five (5) 3500 Dodge Promaster vans for the Public Transportation Fleet.

## **DISCUSSION:**

Since taking over the transit operations, the City has replaced one paratransit vehicle in the spring of 2020 with one new 3500 Dodge Promaster. Out of the fifteen (15) paratransit vehicles, this is the only vehicle that is not eligible to be retired based on FTA grant requirements. In addition, one of the vehicles has been decommissioned due to a transmission failure which cost more than the vehicle's value. Thus, out of the fifteen (15) paratransit vehicles in the public transportation fleet, the City has one (1) new vehicle, one (1) decommissioned vehicle, and thirteen (13) that are so old and have such high mileage that they are eligible to be retired.

Once the five (5) new vehicles are received, approximately 1/3 of the vehicles in the paratransit fleet will be in acceptable condition. Purchasing the vehicles using the State of Oklahoma contract SW0797 will satisfy Norman's code section 8-204. In addition, the State of Oklahoma contract SW0797 was bid to meet the proper Federal Transit Administration (FTA) requirements.

The original quote received per vehicle is \$93,903, making a total quote for five (5) vehicles \$469,515. This would result in the City matching the \$346,703 (73%) federal grant funding with \$122,812 (27%) in local funding. Funds for the local match are available in the FYE 2022 budget in Public Works/Transit Division General Fund, Service Equipment/Bus (27550276-45007). A budget appropriation of \$346,703 was approved from the Capital Fund Balance (account number 50-29000), for the up-front expenses covered by the FTA grant.

Due to supply chain issues associated with the ongoing pandemic, a new quoted price per vehicle of \$116,933 was received on February 16, 2022, making the total for five (5) vehicles \$584,655. Staff is proposing to increase the FTA grant funding to \$496,157 (approximately 85%) using funds that are not yet obligated to a specific project but are appropriated to the Norman Urbanized Area and program the funds as a budget amendment to FTA grant OK-2020-026. This increase in federal grant funding would reduce the local match to \$88,508 (approximately 15%), a reduction of \$34,304 in local matching funds despite increase in the overall cost.

To complete the purchase, additional funds would need to be appropriated from the Capital Fund Balance to the Public Transit and Parking Fund. The additional funds would be the difference between the new total grant funding (\$496,157) less the amount already approved by Council (\$346,703) for a total of \$149,454. Once the new vehicles are received, City staff will replace those vehicles that are most needed to be retired and that are in line with the City's vehicle ranking replacement process. Staff will then submit for reimbursement from FTA for the federal share (\$496,157) of the project.

If approved, staff will initiate a purchase order to Creative Bus Sales to put the vehicles in the queue for production. Due to a delay and backlog of chassis' available for these vehicles, delivery to Norman is expected to be approximately August-September 2022. Once received and inspected, these vehicles will be utilized to provide the City's paratransit service.

## **RECOMMENDATION:**

Staff recommends approval of resolution R-2122-98 appropriating an additional \$149,454 from the Capital Fund Balance (50-29000) to Service Equipment/Bus (27550276-45007) in the Public Transit and Parking Fund to be used to purchase five (5) 3500 Dodge Promaster vans for the public transportation fleet.